



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Public Hearing to introduce ordinance amending Chapter 13.20, "Electrical Service," by replacing Section 13.20.175 Schedule MCA (Market Cost Adjustment) with Schedule ECA (Energy Cost Adjustment) to become effective July 1, 2007 (EUD)

MEETING DATE: May 16, 2007

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Conduct a public hearing to consider changes to Chapter 13.20, "Electrical Service," by replacing Section 13.20.175 Schedule MCA (Market Cost Adjustment) with Schedule ECA (Energy Cost Adjustment). It is recommended that implementation be effective July 1, 2007.

BACKGROUND INFORMATION: Prior to June 2001, when the Market Cost Adjustment (MCA) was implemented, Lodi's electric rate schedules included an element similar to the ECA, which was called a purchased power cost adjustment (PPCA). The MCA superseded the old PPCA. Whereas the PPCA was applied equally to all kWh on all rate schedules, the MCA has been applied differently to specific rate classes and in some cases on a tiered amount based on monthly consumption. At times, some rate classes saw as much as 19¢ per kWh MCA, while others received little or no MCA. The MCA was intended to be reviewed/revised on a quarterly basis and requires City Council action to make adjustments. The proposed ECA, on the other hand, would provide for "automatic" adjustments with reduced electricity prices theoretically just as likely as increased charges.


Similar schedules are utilized by electric utilities nationwide, including many of California's publicly owned utilities (i.e. Anaheim, Redding, Pasadena, Los Angeles, Imperial Irrigation District, and Roseville). Both of the financial rating agencies (Standard & Poors and Fitch) involved in periodic assessment of Lodi Electric Utility's financial condition and outlook have strongly supported the implementation of automated energy cost adjustment mechanisms as proposed herein.

The initial ECA base rate (\$.0831) being proposed is the approximate energy cost per kWh as reflected in current electric rates. The ECA would be recalculated each month as actual costs are determined and the resulting values implemented for bills rendered on the first day of the following month. Staff proposes to provide ECA calculations to the Lodi Budget and Finance Committee for their ongoing verification.

The ECA would be applied equally to all City of Lodi electric rate schedules, be non-discounted and would replace Schedule MCA – Market Cost Adjustment.

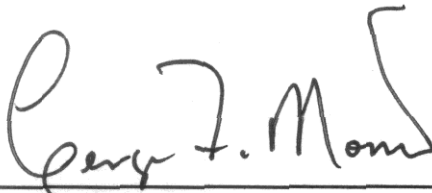
Attached is a copy of the proposed Schedule ECA, a 12-month example utilizing fiscal year 2008 projected sales and energy costs and a preliminary financial forecast for fiscal year 2008.

APPROVED: _____


Blair King, City Manager

FISCAL IMPACT: The ECA is intended to be revenue/cost neutral – e.g. when energy costs increase, the ECA increases to offset such costs. The reverse is true during periods of energy cost declines. At the proposed baseline ECA level of .0831 per kilowatthour and projected fiscal year 2008 energy costs of \$42.3 million, ECA net revenue of \$3.2 million is projected for fiscal year 2008. This is projected to result in a net increase in fiscal year 2008 working capital of \$1.4 million. (see attached.)

FUNDING: Not Applicable,



George F. Morrow
Electric Utility Director

Prepared By: Sondra Huff, Senior Rate Analyst

GFM/SH/lst

Attachments (3)



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

SCHEDULE ECA

ENERGY COST ADJUSTMENT

APPLICABILITY:

This schedule is applicable to all electric customers served by the City of Lodi. Each customer shall pay the applicable rate plus an Energy Cost Adjustment (ECA) for each kilowatt-hour (kWh) delivered to the customer. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the ECA amount per kWh.

The purpose of the ECA is to adjust for increases/decreases to the City of Lodi's wholesale energy costs. This adjustment provides a mechanism to recover increased costs for wholesale energy or to lower collections when costs decrease below the base charge level.

RATES:

Effective July 1, 2007, the ECA billing factor for any given month shall be calculated as follows:

$$ECA = \frac{(a) + (b) - (c)(d+f)}{(e)} - (f)$$

Where:

- (a) equals the amount the City of Lodi is actually charged by the Northern California Power Agency for the billing month, including adjustments for prior billing periods, less any third party revenue credits.
- (b) equals the City of Lodi's estimated costs related to the acquisition of wholesale power, both financial and physical, procured directly by the City for the billing month, including adjustments for prior billing periods.
- (c) equals the difference between actual retail energy sales and projected sales level for the month which is two (2) months prior to the billing month.
- (d) equals the ECA billing factor for the month which is two (2) months prior to the billing month.
- (e) equals the forecast of projected retail energy sales for the billing month.
- (f) equals the baseline energy cost for the City of \$0.0831.

The City of Lodi will recalculate the ECA each month, and resulting amount shall be automatically implemented for bills rendered during the following billing month. The ECA shall not be discounted. ECA calculations will be presented to the Lodi Budget and Finance Committee for their ongoing audit verification.

	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008	Total
Projected kWh Sales	47,855,123	50,777,091	45,204,178	39,096,357	33,805,787	35,250,737	36,781,484	34,100,289	34,836,715	34,723,133	36,718,520	41,954,944	471,104,356
Energy Charges	\$ 3,625,649	\$ 3,558,207	\$ 2,751,355	\$ 2,900,961	\$ 3,685,351	\$ 3,954,336	\$ 4,029,295	\$ 3,850,719	\$ 3,985,613	\$ 3,453,524	\$ 3,469,809	\$ 3,068,698	\$ 42,333,517
Average Rate	\$ 0.0758	\$ 0.0701	\$ 0.0609	\$ 0.0742	\$ 0.1090	\$ 0.1122	\$ 0.1095	\$ 0.1129	\$ 0.1144	\$ 0.0995	\$ 0.0945	\$ 0.0731	\$ 0.0899
ECA	\$ (0.0073)	\$ (0.0130)	\$ (0.0222)	\$ (0.0089)	\$ 0.0259	\$ 0.0291	\$ 0.0264	\$ 0.0298	\$ 0.0313	\$ 0.0164	\$ 0.0114	\$ (0.0100)	\$ 0.0068
Cumulative ECA		\$ (0.0103)	\$ (0.0140)	\$ (0.0129)	\$ (0.0069)	\$ (0.0018)	\$ 0.0018	\$ 0.0047	\$ 0.0073	\$ 0.0081	\$ 0.0084	\$ 0.0068	\$ 3,184,745

Baseline ECA	\$ 0.0831
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	Projected-FY08
Revenue	
Sales Revenues	66,889,770
ECA Revenue	3,188,145
Other Revenues	1,022,564
Total Revenues	71,100,478
Expenses	
Purchase Power	42,333,517
Non-Power Costs	11,300,000
Total Expenses	53,633,517
Net Revenue Available for Debt Service	17,466,961
Debt Service	9,131,628
Net Revenue Available for Other Purposes	8,335,333
In-lieu Transfer To General Fund	6,873,228
Other changes in working capital	-
Net Increase (Decrease) in Working Capital	1,462,105
Beginning Cash	5,571,823
GOR	
Ending Cash	7,033,928

ORDINANCE NO. _____

AN ORDINANCE OF THE LODI CITY COUNCIL AMENDING LODI
MUNICIPAL CODE CHAPTER 13.20, "ELECTRICAL SERVICE,"
BY REPEALING SECTION 13.20.175 SCHEDULE MCA –
MARKET COST ADJUSTMENT, AND ENACTING NEW SECTION
13.20.175 SCHEDULE ECA – ENERGY COST ADJUSTMENT

=====

BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Lodi Municipal Code Section 13.20.175 "Schedule MCA – Market Cost Adjustment" is hereby repealed in its entirety.

SECTION 2. Lodi Municipal Code Section 13.20.175 "Schedule ECA – Energy Cost Adjustment" is hereby enacted to read as follows:

APPLICABILITY:

This schedule is applicable to all electric customers served by the City of Lodi. Each customer shall pay the applicable rate plus an Energy Cost Adjustment (ECA) for each kilowatt-hour (kWh) delivered to the customer. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the ECA amount per kWh.

The purpose of the ECA is to adjust for increases/decreases to the City of Lodi's wholesale energy costs. This adjustment provides a mechanism to recover increased costs for wholesale energy or to lower collections when costs decrease below the base charge level.

RATES:

Effective July 1, 2007, the ECA billing factor for any given month shall be calculated as follows:

$$ECA = \frac{(a) + (b) - (c)(d+f)}{(e)} - (f)$$

Where:

- (a) equals the amount the City of Lodi is actually charged by the Northern California Power Agency for the billing month, including adjustments for prior billing periods, less any third party revenue credits.
- (b) equals the City of Lodi's estimated costs related to the acquisition of wholesale power, both financial and physical, procured directly by the City for the billing month, including adjustments for prior billing periods.
- (c) equals the difference between actual retail energy sales and projected sales level for the month which is two (2) months prior to the billing month.
- (d) equals the ECA billing factor for the month which is two (2) months prior to the billing month.
- (e) equals the forecast of projected retail energy sales for the billing month.
- (f) equals the baseline energy cost for the City of \$0.0831.

The City of Lodi will recalculate the ECA each month, and resulting amount shall be automatically implemented for bills rendered during the following billing month. The ECA shall not be discounted. ECA calculations will be presented to the Lodi Budget and Finance Committee for their ongoing audit verification.

SECTION 3. The paragraphs referencing a Market Cost Adjustment in the Rate Schedule Exhibits in: Lodi Municipal Code Sections 13.20.190, EA-Residential Service; 13.20.200, ED-Residential Share; 13.20.210, EM-Mobile Home Park Service; 13.20.235, ES-City Facilities Service; 13.20.240, G1-Group1; 13.20.250, G2-Group 2; 13.20.260, G3-Group 3; 13.20.270, G4-Group 4; 13.20.280, G5-Group 5; 13.20.310, I1-Group 5 Optional; shall be amended to read as follows:

ENERGY COST ADJUSTMENT (SCHEDULE ECA):

An Energy Cost Adjustment (ECA) may be included in each bill for service as provided in Section 13.20.175 Schedule ECA – Energy Cost Adjustment.

SECTION 4. The reference to “EA Market Cost Adjustment” in the Exhibit to Lodi Municipal Code Section 13.20.220, MR-Medical Residential Discount” shall be amended to refer to an “Energy Cost Adjustment (ECA) as provided in Section 13.20.175 Schedule ECA – Energy Cost Adjustment.” Further, the second paragraph of the Section of the above Exhibit entitled “Applicability” shall be amended to read as follows:

Master-metered customers with qualifying tenant(s) on Schedule EA are entitled to a discount of 25% per billing cycle (monthly bill) for each qualifying household or mobile home unit. Master-metered customers with qualifying tenant(s) on Schedule ED are entitled to to a discount of 5% per billing cycle (monthly bill) for each qualifying household or mobile home unit.

SECTION 5. No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 6. Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 7. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 8. This ordinance shall be published one time in the “Lodi News-Sentinel,” a daily newspaper of general circulation printed and published in the City of Lodi and shall be in force and take effect thirty days from and after its passage and approval.

SECTION 9. This amended Schedule referenced above shall be effective on applicable electric utility billings prepared by the City of Lodi on or after July 1, 2007.

Approved this ____ day of _____, 2007.

BOB JOHNSON
MAYOR

ATTEST:

RANDI JOHL
City Clerk

State of California
County of San Joaquin, ss.

I, Randi Johl, City Clerk of the City of Lodi, do hereby certify that Ordinance No. ____ was introduced at a regular meeting of the City Council of the City of Lodi held May 16, 2007, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held _____, 2007, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. ____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

RANDI JOHL
City Clerk

Approved to Form:

D. STEPHEN SCHWABAUER
City Attorney

**Residential Customers
with
Energy Cost Adjustment**

Low Energy Use													
	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008	Total
kWh	682	915	590	457	469	579	615	555	468	461	430	632	6,853
Amount	\$ 101.92	\$ 154.00	\$ 84.11	\$ 64.89	\$ 66.83	\$ 88.36	\$ 96.40	\$ 82.99	\$ 66.69	\$ 65.67	\$ 61.06	\$ 90.75	\$ 1,023.67
ECA +/-	\$ (0.0073)	\$ (0.0130)	\$ (0.0222)	\$ (0.0089)	\$ 0.0259	\$ 0.0291	\$ 0.0264	\$ 0.0298	\$ 0.0313	\$ 0.0164	\$ 0.0114	\$ (0.0100)	\$ 0.0071
ECA Amount	\$ (5.00)	\$ (11.92)	\$ (13.12)	\$ (4.07)	\$ 12.15	\$ 16.84	\$ 16.26	\$ 16.55	\$ 14.65	\$ 7.54	\$ 4.90	\$ (6.29)	\$ 48.50
Bill Amount	\$ 96.92	\$ 142.08	\$ 70.99	\$ 60.83	\$ 78.99	\$ 105.19	\$ 112.67	\$ 99.54	\$ 81.34	\$ 73.21	\$ 65.96	\$ 84.45	\$ 1,072.17

Percent Increase/(Decrease) 4.7%

Medium Energy Use													
	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008	Total
kWh	1,318	1,574	975	703	593	710	964	826	751	592	601	986	10,593
Amount	\$ 277.71	\$ 360.69	\$ 168.63	\$ 106.61	\$ 85.28	\$ 117.64	\$ 191.61	\$ 147.72	\$ 126.80	\$ 91.26	\$ 90.02	\$ 182.22	\$ 1,946.19
ECA +/-	\$ (0.0073)	\$ (0.0130)	\$ (0.0222)	\$ (0.0089)	\$ 0.0259	\$ 0.0291	\$ 0.0264	\$ 0.0298	\$ 0.0313	\$ 0.0164	\$ 0.0114	\$ (0.0100)	\$ 0.0055
ECA Amount	\$ (9.67)	\$ (20.50)	\$ (21.68)	\$ (6.26)	\$ 15.37	\$ 20.64	\$ 25.49	\$ 24.63	\$ 23.51	\$ 9.68	\$ 6.85	\$ (9.82)	\$ 58.26
Bill Amount	\$ 268.04	\$ 340.19	\$ 146.95	\$ 100.35	\$ 100.65	\$ 138.28	\$ 217.10	\$ 172.35	\$ 150.31	\$ 100.94	\$ 96.87	\$ 172.40	\$ 2,004.45

Percent Increase/(Decrease) 3.0%

High Energy Use													
	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008	Total
kWh	2,504	2,877	2,001	1,125	960	1,255	1,609	1,224	1,058	764	1,165	1,368	17,910
Amount	\$ 667.59	\$ 790.68	\$ 501.60	\$ 216.34	\$ 190.33	\$ 285.12	\$ 401.94	\$ 274.89	\$ 221.49	\$ 129.70	\$ 229.06	\$ 293.61	\$ 4,202.36
ECA +/-	\$ (0.0073)	\$ (0.0130)	\$ (0.0222)	\$ (0.0089)	\$ 0.0259	\$ 0.0291	\$ 0.0264	\$ 0.0298	\$ 0.0313	\$ 0.0164	\$ 0.0114	\$ (0.0100)	\$ 0.0042
ECA Amount	\$ (18.37)	\$ (37.47)	\$ (44.49)	\$ (10.01)	\$ 24.88	\$ 36.49	\$ 42.55	\$ 36.50	\$ 33.12	\$ 12.50	\$ 13.28	\$ (13.62)	\$ 75.36
Bill Amount	\$ 649.22	\$ 753.21	\$ 457.11	\$ 206.32	\$ 215.21	\$ 321.62	\$ 444.50	\$ 311.40	\$ 254.62	\$ 142.20	\$ 242.33	\$ 279.99	\$ 4,277.72

Percent Increase/(Decrease) 1.8%



Lodi Electric Utility

Energy Cost Adjustment (ECA)

**City Council
May 16, 2007**



Background

- EUD's current rates include a “manual” Market Cost Adjustment (MCA) mechanism
- Intent was to review and update quarterly/regularly to reflect market power costs
- Following its initial establishment, MCA level was not adjusted for over 4 years even though market power costs changed
- MCA has varied from zero to as much as 19¢ per KWH depending on rate tariff.



Proposal

- Modify the “manual” MCA clause to reflect changes in power supply costs “automatically”
- Energy Cost Adjustment (ECA) would be updated monthly to reflect actual EUD costs
- ECA could reflect a **charge** during periods where costs are higher than “base” level or a **credit** when costs are lower than base level
- ECA identical for all rate classes
- July 1, 2007 proposed effective date if feasible



Utilities with ECAs

- Anaheim
- Redding
- Roseville
- Los Angeles
- Imperial Irrigation District
- Lassen Municipal Utility District
- Pasadena



ECA Formula

$$ECA = \frac{(a) + (b) - (c)(d+f)}{(e)} - (f)$$

Where:

- (a) equals the amount the City of Lodi is actually charged by the Northern California Power Agency for the billing month, including adjustments for prior billing periods, less any third party revenue credits.
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- (c) equals the difference between actual retail energy sales and projected sales level for the month which is two (2) months prior to the billing month.
- (d) equals the ECA billing factor for the month which is two (2) months prior to the billing month.
- (e) equals the forecast of projected retail energy sales for the billing month.
- (f) equals the baseline energy cost for the City of \$0.0831.



SAMPLE ECA CALCULATION

$$\text{ECA} = \frac{(a) + (b) - (c)(d+f) - (f)}{(e)}$$

$$\text{ECA (1/08)} = \frac{4,029,295 + 0 - 0 (.0259 + .0831) - .0831}{36,781,484}$$

$$= \frac{4,029,295}{36,781,484} - 0.0831$$

(JANUARY, 2008)

$$= .10955 - .0831$$

$$= .02645$$



FY08 ECA Forecast

	Projected-FY08
Revenue	
Sales Revenues	66,889,770
ECA Revenue	3,188,145
Other Revenues	1,022,564
Total Revenues	71,100,478
Expenses	
Purchase Power	42,333,517
Non-Power Costs	11,300,000
Total Expenses	53,633,517
Net Revenue Available for Debt Service	17,466,961
Debt Service	9,131,628
Net Revenue Available for Other Purposes	8,335,333
In-lieu Transfer To General Fund	6,873,228
Other changes in working capital	-
Net Increase (Decrease) in Working Capital	1,462,105
Beginning Cash	5,571,823
GOR	-
Ending Cash	7,033,928

Preliminary



ECA Revenue Projections by Class

FY 08 Projections	kWh Sales	Sales Revenue	ECA Revenue	Sales + ECA Revenue	% Increase in Revenue
Residential	166,131,807	\$ 27,853,658	\$ 1,123,079	\$ 28,976,737	4.03%
Commercial	209,619,637	\$ 30,072,850	\$ 1,417,064	\$ 31,489,914	4.71%
Industrial	95,352,912	\$ 8,963,261	\$ 644,602	\$ 9,607,863	7.19%
Total	471,104,356	\$ 66,889,770	\$ 3,184,745	\$ 70,074,515	4.76%

Note: Assumes FY08 power supply costs of \$42.3 million.



Other

- ECA computations subject to review by Lodi Budget and Finance Committee
- ECA would not be “discounted”. (There would be no effect, however, on the normal discounts provided on other parts of electric bill.)



Fitch Report “Excerpt”

Liquidity Factor Considerations

Credit Effect	Positive	A Best <ul style="list-style-type: none">• Unrestricted cash.• Cash informally pledged.• Automatic rate adjustment (monthly preferred).• No automatic rate adjustment (but good dialogue with board).• Surplus fuel reserves.	B Good <ul style="list-style-type: none">• Automatic adjustment rate (semi annual or longer).• Cash formally pledged.• Margins substantially above rate covenant.	←
	Neutral/ Weak	C Less Favorable <ul style="list-style-type: none">• Low fuel reserves.• Use of existing commercial paper program.• Drawdown of bank facility.	D Least Favorable <ul style="list-style-type: none">• Operating margins narrowly meeting rate covenant.• No automatic rate adjustment.• New long-term deficit financing.• Asset sale.	←
		Quick	Slow	
		Liquidity Access		



Alternate Proposal

- EUD did outreach to customers with largest projected FY08 impact from ECA
- Suggestion received to “stair step” or phase in ECA implementation
- In response, City Council may wish to **consider reducing the ECA by a fixed amount (i.e. 10%) for one year.** (This % would be applied both to credits and charges.)
- Staff believes the financial impact of a 10% reduction (~\$320K) can be funded from reserves



Summary

- Staff has prepared recommendation to adopt an ECA for FY08 and beyond
- Consistent conceptually with Lodi's past Market Cost Adjustment Charge (MCA)
- Would operate **automatically** versus past MCA which required manual action to change
- FY08 average projected impact of ECA is + 4.8%
- Would reduce Lodi's exposure to market energy prices
- Recommended by financial rating agencies



Monthly Examples

	Jul-07	August	September	October	November	December
Projected kWh Sales	47,855,123	50,777,091	45,204,178	39,096,357	33,805,787	35,250,737
Energy Charges	\$ 3,625,649	\$ 3,558,207	\$ 2,751,355	\$ 2,900,961	\$ 3,685,351	\$ 3,954,336
Average Rate	\$ 0.0758	\$ 0.0701	\$ 0.0609	\$ 0.0742	\$ 0.1090	\$ 0.1122
ECA	\$ (0.0073)	\$ (0.0130)	\$ (0.0222)	\$ (0.0089)	\$ 0.0259	\$ 0.0291
Cumulative ECA		\$ (0.0103)	\$ (0.0140)	\$ (0.0129)	\$ (0.0069)	\$ (0.0018)

	Jan-08	February	March	April	May	June	FY08 Totals
Projected kWh Sales	36,781,484	34,100,289	34,836,715	34,723,133	36,718,520	41,954,944	471,104,356
Energy Charges	\$ 4,029,295	\$ 3,850,719	\$ 3,985,613	\$ 3,453,524	\$ 3,469,809	\$ 3,068,698	\$ 42,333,517
Average Rate	\$ 0.1095	\$ 0.1129	\$ 0.1144	\$ 0.0995	\$ 0.0945	\$ 0.0731	\$ 0.0899
ECA	\$ 0.0264	\$ 0.0298	\$ 0.0313	\$ 0.0164	\$ 0.0114	\$ (0.0100)	\$ 0.0068
Cumulative ECA	\$ 0.0018	\$ 0.0047	\$ 0.0073	\$ 0.0081	\$ 0.0084	\$ 0.0068	\$ 3,184,745
					Baseline ECA		\$ 0.0831



*Please immediately confirm receipt
of this fax by calling 333-6702*

SUBJECT: PUBLIC HEARING TO CONSIDER INTRODUCTION OF AN ORDINANCE
REPLACING §13.20.175, SCHEDULE MCA (MARKET COST
ADJUSTMENT), WITH SCHEDULE ECA (ENERGY COST ADJUSTMENT)

PUBLISH DATE: SATURDAY, MAY 5, 2007

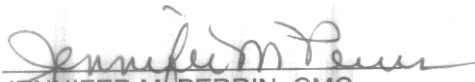
LEGAL AD

TEAR SHEETS WANTED: Three (3) please

SEND AFFIDAVIT AND BILL TO: RANDI JOHL, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: THURSDAY, MAY 3, 2007

ORDERED BY: RANDI JOHL
CITY CLERK


JENNIFER M. PERRIN, CMC
DEPUTY CITY CLERK

DANA R. CHAPMAN
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File



Faxed to the Sentinel at 369-1084 at 4:05 pm (time) on 5/3/07 (date) 2 (pages)
Phoned to confirm receipt of all **pages** at _____ (time) _____ JLT _____ DRC _____ JMP (initials)



DECLARATION OF POSTING

PUBLIC HEARING NOTICE TO CONSIDER INTRODUCTION OF AN ORDINANCE REPLACING §13.20.175, SCHEDULE MCA (MARKET COST ADJUSTMENT), WITH SCHEDULE ECA (ENERGY COST ADJUSTMENT)

On Friday, May 4, 2007, in the City of Lodi, San Joaquin County, California, a Public Hearing Notice to consider introduction of an ordinance replacing §13.20.175, Schedule MCA (Market Cost Adjustment), with Schedule ECA (Energy Cost Adjustment) (attached and marked as Exhibit A), was posted at the following locations:


Lodi Public Library
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 4, 2007, at Lodi, California.

ORDERED BY:

**RANDI JOHL
CITY CLERK**


JENNIFER M. PERRIN, CMC
DEPUTY CITY CLERK

DANA R. CHAPMAN
ADMINISTRATIVE CLERK



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: May 16, 2007

Time: 7:00 p.m.

For information regarding this notice please contact:

Randi Johl

City Clerk

Telephone: (209) 333-6702

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, May 16, 2007**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) Introduction of an ordinance amending Chapter 13.20, "Electrical Service," by replacing §13.20.175, Schedule MCA (Market Cost Adjustment), with Schedule ECA (Energy Cost Adjustment)

Information regarding this item may be obtained in the Electric Utility Department, 1331 South Ham Lane, Lodi, (209) 333-6762. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 West Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:

Randi Johl
City Clerk

Dated: May 2, 2007

Approved as to form:

D. Stephen Schwabauer
City Attorney